

Pope Gives Arafat Private 20-Minute Visit at Vatican



Pope John Paul II stands with smiling Yasser Arafat at Vatican.

Haig Supports Plan but He Calls Peace Effort 'Disaster'

HARTFORD, Conn. (UPI)—Former Secretary of State Alexander M. Haig Jr. said today that President Reagan's Mideast peace plan was good in concept but that efforts to carry it out so far have been "a disaster."

Haig, in Hartford to meet with his former employers at United Technologies Corp., appeared to soften criticism of Reagan's peace initiatives he made to Jewish leaders in New York Tuesday night.

"I haven't been engaged in criticism, but only an analysis of the situation," in the Mideast, Haig said. "It's clearly a situation that must be handled with great care and delicacy."

Haig, who abruptly resigned in June over policy differences, described as "somewhat overdrawn" his earlier critical statement that Reagan's proposed freeze on Israeli settlements in occupied land "would be a very serious mistake."

U.S. Seeks to Join Rights Lawsuits Against Chicago

WASHINGTON (AP)—The Justice Department today asked a federal court to allow the Reagan Administration to join black and Hispanic groups in challenging the new redistricting of the Chicago City Council.

A department spokesman said it was the first time the federal government has applied a key section of the Voting Rights Act of 1965 against a major city.

Asst. Atty. Gen. William Bradford Reynolds, head of the department's civil rights division, said a request to join in three private lawsuits was filed in U.S. District Court in Chicago today.

The Justice Department's court papers allege that the redistricting plan adopted by the Chicago City Council on Nov. 30, 1981, "has the purpose and effect of discriminating against the city's black and Hispanic residents in violation of Section 2 of the Voting Rights Act" and the U.S. Constitution.

Section 2 of the Voting Rights Act is a nationwide provision barring measures that would dilute black and minority group voting strength.

"This is the first time that we have applied Section 2 against a major city, and one of the few times we have applied Section 2 outside the South," said Justice Department spokesman John Wilson.

The Reagan Administration's re-

Industrial Production Declines 0.5% 11th Drop in 13 Months Is Blow for Hopes of Recovery

WASHINGTON—In another blow to hopes for an economic recovery, the government reported today that production by the nation's factories and mines fell 0.5% in August, the 11th decline in the last 13 months.

The new drop reflected "continued cutbacks in production of business equipment and a sharp cut in output of motor vehicles," the Federal Reserve Board said.

The report said revised figures showed industrial production actually rose 0.1% in July, rather than declining by that margin as estimated one month ago. The only

other increase in the last 13 months was in February, a gain most analysts laid to unusually good weather.

In August, the report said, "output of consumer goods declined 1.2% following gains in each of the preceding three months that averaged 0.9%."

"In recent months, auto production has exceeded sales, resulting in excess dealers' inventories" and little incentive for companies to build new cars, the report said.

In August, auto assemblies were reduced more than 16% to an annual rate of 5.5 million units, it said.

Production of consumer goods

other than autos declined slightly in August, and business equipment output was reduced 1.4%, the report said.

The only major categories to show any improvement were those for defense and space equipment, with output up 0.8%, and construction supplies, up 0.2%.

Factory production accounts for nearly a third of the value of all the goods and services produced by the American economy but has borne the biggest portion of recession cutbacks while the services sector, from fast food restaurants to insurance companies, has been far less affected.

Calls on Israel, PLO to Accept Others' Existence

VATICAN CITY (AP)—Pope John Paul II gave Yasser Arafat a 20-minute private audience at the Vatican today and later made a speech calling on Israel and the PLO to "accept the existence and reality of the other."

Addressing 20,000 people at his weekly mass audience in St. Peter's Square, the pontiff made no reference to the unprecedented meeting with Arafat.

The Vatican provided few details of the audience, which a PLO official had called "a turning point in favor of the PLO."

The Rev. Pierfranco Pastore, a Vatican spokesman, said Arafat and the Polish-born pontiff talked alone and "probably" conducted their discussion in English. But he did not say what they talked about.

Arafat, wearing a black-and-white kaffiyeh headdress and an olive green uniform, was not armed with his customary pistol during the meeting in a room off the Paul VI Audience Hall, according to Vatican officials.

The announcement of the papal audience earlier this week had sparked sharp protests from Prime Minister Menachem Begin and other Israeli officials, and the meeting was swiftly denounced in Tel Aviv today.

Shocked Over Meeting

A Foreign Ministry statement said Israel was "shocked" over the meeting, which it said raised Arafat's stature. The Israeli government earlier charged that the meeting would damage the Vatican's neutrality on Middle Eastern conflicts, but the Vatican insisted that the audience did not constitute recognition of the PLO.

Arafat's bullet-proof Fiat limousine sped out of the Vatican at 5:03 p.m., followed by a police motorcade bristling with submachine guns. A smiling Arafat flashed a victory sign at reporters near the little-used side entrance known as the Perugia gate, where he had arrived a little over half an hour earlier.

Armed police barred reporters from entering the Vatican.

Mahmoud Labadi, Arafat's spokesman, said the PLO leader gave the Pope Palestinian-made, mother-of-pearl replicas of the Church of the Holy Sepulchre, located at the site where Christ is believed to have been crucified, and the Dome of the Rock, a mosque where the prophet Mohammed is said to have risen to heaven.

In his speech to the crowd in St. Peter's Square, the Pope said:

"The Holy See is convinced above all that there can be no true peace without justice and that there will be no justice if the rights of all interested peoples are not recognized and accepted in a stable, adequate and equal way."

Look With Sympathy

"The Pope and the Catholic Church look with sympathy in consideration of both peoples (Israelis and Palestinians)," he said, adding that he hopes that "each one accepts the existence and reality of the other and that they may find a path to dialogue."

Arafat, who was driven by the Israelis from West Beirut along with 8,000 of his PLO guerrillas, has established his new headquarters in Tunis, Tunisia. His stop in Rome marked the beginning of a European visit to drum up support for his organization, now scattered in eight Arab nations, and for his call for a Palestinian state on the Israeli-occupied West Bank and Gaza Strip.

Earlier, Arafat at an airport news conference blamed Israel for Lebanese President-elect Bashir Gemayel's assassination by bomb Tuesday.

Speaking in Arabic, Arafat said Gemayel's killing was "an attempt to strike at Lebanese reconciliation and to offer a justification for the continuation of the Israeli occupation of Lebanon."

German Abbot Named

From Reuters

ECONE, Switzerland—A West German abbot, Franz Schmidberger, has been named to succeed rebel Roman Catholic Archbishop Marcel Lefebvre as leader of his traditionalist movement, a spokesman for the movement said today.



The body of Princess Grace of Monaco lies in state inside the Ardent Chapel at Monaco's royal palace.

Subjects Mourn Princess Grace Palace Admits That Daughter Is Still Hospitalized

From Times Wire Services

MONTE CARLO—The body of Princess Grace, surrounded by a blanket of orchids, lay in state today in an open coffin as her grief-stricken subjects paid their last respects to the Oscar-winning actress who left Hollywood to wed a prince.

As many of the Mediterranean principality's 28,000 subjects filed past the simple wooden coffin, speculation was rife that her younger daughter, Princess Stephanie, 17, was more seriously injured than previously revealed and may have been driving the car that crashed Monday on a mountain road in France.

Unofficial sources said that Stephanie suffered injuries to her head and back and that doctors had put her in a neck brace to keep her head upright.

'Has Not Been Told'

"Princess Stephanie has not been told about her mother's death," one of the sources said.

Princess Grace "is beautiful still," said a sobbing woman, one of the first to file past the 52-year-old princess' ebony coffin.

Within hours of the announce-

ment late Tuesday that she had died from injuries received in the crash, most businesses were closed, including the famed casino.

The coffin was placed in the 13th-Century Ardent Chapel in the Grimaldi Palace where Grace made her home for 26 years. She was dressed in a high-necked white lace dress.

Still in Hospital

A palace spokeswoman said today that Princess Stephanie is still in a hospital.

The statement reversed earlier announcements that Stephanie had been released from the hospital after treatment for "minor" injuries suffered in the accident.

Stephanie "is not in danger, but she is under observation for injuries already announced—a light concussion and bruises," the spokeswoman said.

French radio stations immediately speculated that Princess Stephanie's condition might be worse than previously announced, but the spokeswoman refused further comment.

The palace press office had maintained—until the final communique

announcing her death—that Princess Grace was in a stable condition after the accident.

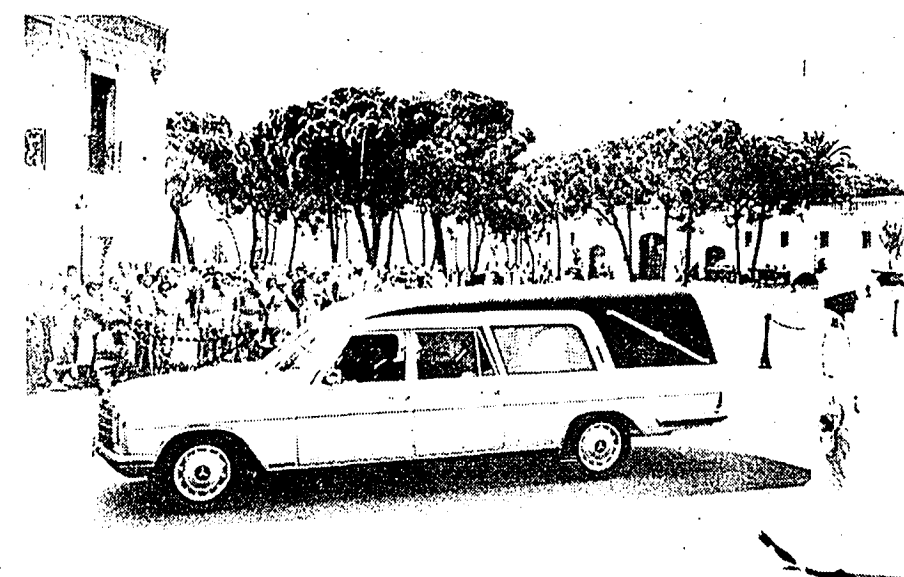
Officials also said that although Prince Rainier III, Princess Caroline and Crown Prince Albert were at the bedside, Stephanie was not present when Grace died Tuesday, as earlier reported.

In New York, the Monegasque Consulate issued a statement denying news reports that Stephanie was driving the car, which crashed in France, where the legal driving age is 18.

"Princess Stephanie was a passenger in the car driven by Princess Grace and was not driving at the time of the crash. There is a witness that Princess Stephanie was taken out of the passenger seat of the car following the crash," the spokeswoman said.

A spokeswoman for the palace said funeral services for Princess Grace—born Grace Kelly in Philadelphia—will be held Saturday at the Roman Catholic Cathedral of Monaco.

Obituary on Page 5.



A hearse carries the coffin of Princess Grace to the Monaco royal palace. She died on Tuesday night.

Polish Dissident Flies Home—'It's My Duty'

From Reuters

WARSAW—A leading member of the disbanded Polish dissident movement KOR, who is facing charges of trying to overthrow the state, returned to Warsaw from London today saying it was his duty to join his friends.

Jan Josef Lipski, a 55-year-old university professor and a founder-member of the movement that helped establish the suspended Solidarity labor union, was greeted by about 200 friends and reporters at Warsaw airport, but was not approached by police.

"I do not know what will happen next," he told reporters after greeting his wife and daughter at the airport. "I arrived here as I felt it my duty to join my friends."

Lipski was one of two KOR leaders charged in their absence last month when Poland's martial law authorities moved against KOR figures closely associated with Solidarity.

NEW YORK (AP)—Michael Morgenstern, author of "How to Make Love to a Woman," went to court today on a charge that he punched his girlfriend after finding her with another man.

Morgenstern, 30, was arrested on a charge of third-degree assault after he allegedly punched 22-year-old Ethel Parks in the face, fracturing a bone in her upper jaw and breaking a tooth, according to the Manhattan district attorney's office.

Morgenstern's book advises men to "take the lead" in relationships but to avoid macho behavior and display sensitivity toward women.

Parks, a model, was punched Aug. 5, 1981, the day she moved out of the East Side apartment she shared with Morgenstern, said a spokeswoman for the district attorney.

Two days earlier, according to court papers, Morgenstern, a lawyer, had returned home unexpectedly from a business trip and "found Miss Parks in the company of another man."

Morgenstern allegedly went to the Manhattan apartment where



Michael Morgenstern

Parks was staying after moving out and punched her in the face when she opened the door.